



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

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What Does the Republican Budget Resolution Do To Veterans' Benefits?

May 16, 2003

Dear Democratic Colleague:

Many veterans were surprised and angered that at the very same time that America's men and women in uniform were being sent into combat in Iraq, the Republican leadership in Congress unveiled a budget that cut veterans benefits and reduced funding for veterans medical care by a total of \$28 billion over ten years.

Those harmful reductions were necessary in order to attempt to show a balanced budget while providing for massive new tax cuts. The assertions that these savings could be easily achieved by cutting waste, fraud and abuse did not convince either veterans or even the Republican chairman of the Veterans' Affairs Committee, who recognized the damage these cuts would do. By an overwhelming margin of 399 to 22, the House supported my motion to reject the most harmful of these cuts, including the instructions to cut mandatory veterans benefits by \$14.6 billion.

A number of you have asked me what the impact of the conference agreement on the budget was on veterans. In conference, the House Republicans receded to the higher Senate funding levels for veterans. The conference agreement increased funding for appropriated veterans' health care programs for 2004 by \$2.6 billion above the amount needed to maintain purchasing power at the 2003 level, but cut appropriations for veterans' health care by a total of \$6.2 billion below that level over ten years. The conference agreement struck the reconciliation instructions to reduce spending for mandatory veterans benefits by \$14.6 billion over ten years that were contained in the House Republican budget. Ultimately, the conference agreement provided \$22.1 billion more in budget authority for veterans programs than the House Republican budget.

However, the ten-year cut to appropriated veterans programs is likely to be deeper than it appears, and the apparent \$2.6 billion increase for veterans' programs for 2004 is likely to be smaller than it at first appears. As with education and other parts of the budget, those funding levels are artificially high because the House also receded to the Senate and agreed to a ten-year unspecified cut of \$128 billion in discretionary spending, with \$7.6 billion in additional

unspecified cuts for 2004 alone. The Appropriations Committee may apply some or all of this additional cut to discretionary veterans health care programs.

The table below displays the funding levels in the various budget proposals, excluding the impact of the undistributed cut to discretionary programs in the Senate bill and the conference agreement.

Funding for Veterans' Programs Compared to CBO March Baseline, 2004-2013
(budget authority, billions of dollars)

	President	House Republicans	Senate Republicans	Conference Agreement
Discretionary	-5.3	-14.2	-6.2	-6.2
Mandatory	-0.2	-14.2	-0.2	0.0
Total	-5.5	-28.3	-6.4	-6.2

The conference agreement demonstrates that Republicans continue to pursue more tax cuts at the expense of veterans and other important needs. Please contact me, or have your staff contact the Democratic staff of the Budget Committee, if you have any additional questions.

Sincerely,

John M. Spratt, Jr.
Ranking Member